

To: All CDBG-DR Non-Housing Grant
Agreement Grantees and Contractors

From: Texas General Land Office

Date: October 26, 2012

Re: Design Milestone Submittal and
Review Revisions and Related Issues

This is a Technical Guidance Letter ("TGL"), as defined in Article 1.04 of all Round 2 non-housing project grant agreements between the Texas General Land Office ("GLO") as administrator of the U.S. Department of Housing and Urban Development's Community Development Block Grant Disaster Recovery program ("CDBG-DR") and program grantees.

As stated in Article 1.04, a TGL is an instruction, clarification or interpretation of CDBG-DR program requirements, issued by GLO, to which specified program participants are subject. This TGL is addressed to all grantees and contractors participating in Round 1 and Round 2 CDBG-DR program non-housing projects. The purpose of the TGL is to set forth the revisions to the design milestone submittal and review process discussed below, to inform interested parties of the same, and to discuss related issues.

**1. Elimination of All Design Milestone Submittals
Other than the 30% and 100% Submittals**

GLO hereby eliminates the 60% design milestone submittal requirements for Round 2 projects set forth in sections 5.1 and 5.3 of its Disaster Recovery Program Round 2 Engineering Provider Guidance Manual dated February 28, 2012 (the "Engineering Guidance Manual"). To the extent that any GLO-administered contracts pertaining to ongoing Round 1 or Round 2 projects--including but not limited to Round 2 contracts containing a GLO Engineering Services Work Order Attachment A, Scope of Engineering Services--require a 60% or 90% design milestone submittal, GLO waives the applicable contract provision(s). Engineering providers need no longer provide these interim design milestone submittals on CDBG-DR program non-housing projects. Only preliminary 30% and 100% submittals are required.

2. Issues Related to Elimination of Interim Submittals and Remaining Required Design Milestone Submittals

The preliminary 30% and 100% design milestone submittal requirements of sections 5.1 and 5.3 of the Engineering Guidance Manual remain in effect for Round 2 non-housing projects, as do any corresponding requirements of GLO-administered contracts pertaining to Round 1 and Round 2 projects.

To be approved, a preliminary 30% submittal must provide sufficient information for the scoping of the environmental service provider Work Order.

Additionally, for all projects to be reviewed and accepted, preliminary 30% and 100% design milestone submittals must conform to the most current approved grantee contract performance statement. Any work performed that does not conform to the performance statement is work outside of project scope, and will result in rejection of the submittal. To avoid rejection, before project submittal an amendment request that accounts for all project work must be submitted to the CDBG-DR program, and approved by the project grant manager and project facilitator. Please note that any rejection may affect an engineering provider's ability to fully invoice a particular project design milestone submittal.

In lieu of the 60% design milestone submittal, GLO CDBG-DR program personnel will schedule face-to-face meetings with engineering providers at the providers' offices to discuss ongoing projects. Meetings will cover the following:

- Overall discussion of the CDBG-DR program;
- Engineering Work Order review;
- Engineering providers' internal QA/QC review process;
- Project review schedules;
- Engineer performance;
- Increase or decrease to probable construction cost estimates;
- Method of technical specifications and bid (contract) document development;
- Post-30% submittal design changes; and
- Any other outstanding issues.

3. Revision of the Design Milestone Submittal Review Process

All design milestone submittal review for both Round 1 and Round 2 projects will follow the Round 1 design review approach, and not the process set forth in section 5.5 of the Engineering Guidance Manual. The project management company will review the plans for completeness and general adherence to industry design standards for the project type. GLO will revise the Engineering Guidance Manual and internal Project Review Checklists to accommodate this change in the review process.

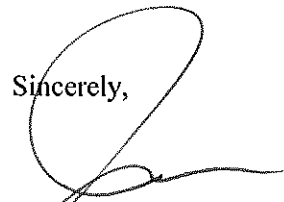
GLO hopes the foregoing will streamline the design process and improve lines of communication. CDBG-DR personnel look forward to future meetings with everyone affected by this TGL. Please refer any questions or concerns regarding this TGL to:

Antonio Rodriguez, PE
HNTB Corp.
Project Manager
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If Mr. Rodriguez is unavailable, please contact:

Joseph Drimmel, PE
HNTB Corp.
Associate Vice President
(512) 691-2297
jdrimmel@hntb.com

Sincerely,

A handwritten signature in black ink, appearing to read 'Jorge Ramirez', with a large, stylized loop at the beginning and a horizontal flourish extending to the right.

Jorge Ramirez
Texas General Land Office
CDBG-DR Program Director